EXHIBIT 86

1 EXAMINATION BY MR. CALIFANO:
2   **Q.**   Good afternoon. Mr. Unny, I am
3 Mark Califano. I represent the defendants in this
4 matter. I'm going to ask you a few questions, okay?
5   **A.**   Okay.
6   **Q.**   All right. You recall that Mr. Carney was
7 asking you about your report, particularly
8 paragraph 53 of your report.
9   Would you please turn to that page.
10   You note in this report, in the second
11 sentence, that the -- well, the first sentence, that,
12 Dr. Edman provides no definition of processing or
13 settlement.
14   The next sentence says, This is a
15 significant omission because understandings of these
16 terms may vary, especially in the blockchain payment
17 application space.
18   **A.**   Correct.
19   **Q.**   So, when you say that the understanding of
20 these terms can vary, how can they vary? Based on
21 what can they vary?
22   **A.**   Based on the context of the application,
23 based on the application, based on how these terms
24 are designed, or defined, within a payment
25 application or a blockchain application.

221

1   And these definitions and -- are part of
2 the business requirements that developers code to --
3 to code to it.
4   **Q.**   In your experience, do all payment systems
5 define these terms?
6   **A.**   No. It very much depends on the maturity
7 of the team, and -- and what documentation is
8 available, and how much documentation is created.
9 It's very contextual.
10   **Q.**   I'm just going to refer you to -- now to
11 just financial payments systems --
12   **A.**   Yeah.
13   **Q.**   -- traditional systems.
14   **A.**   Traditional systems, okay.
15   **Q.**   What factors in traditional systems can
16 affect the meaning of those terms?
17   MR. CARNEY: Objection. Vague.
18   **A.**   It very much depends on the context and
19 from what perspective processing and settlement is
20 being defined within a system, and within the
21 subsystems in a traditional system.
22   **Q.**   With respect to a system -- a payment
23 system, including payment systems that use blockchain
24 transactions as part of the system, why would someone
25 trying to determine the meaning of the blockchain

222

1 transactions need to examine, in this case, the full
2 CHAI Terra code?
3   MR. CARNEY: Objection. Leading.
4   **A.**   Because the processing and settlement is an
5 all-encompassing term and very contextual, and it
6 really depends on, you know, the end-to-end
7 processing and settlement, and the -- you know, what
8 components are included in that chain of processing
9 and settlement, and how they define it.
10   So in this case, my experience suggests
11 that CHAI would have had significant amounts --
12 significant number of other subsystems, as I
13 mentioned earlier in my report.
14   And it depends on how all of those systems
15 work together in tandem, and where processing and
16 settlement is being done in -- operationally, for
17 example, within those systems.
18   **Q.**   Is it possible to determine the meaning of
19 these terms based only on a review of the LP server
20 and the materials that Dr. Edman used?
21   MR. CARNEY: Objection, vague.
22   **A.**   As suggested in my -- as stated in my
23 report, that's not -- it's not possible in my
24 experience. And in my opinion.
25   **Q.**   So, Mr. Carney questioned you about the

223

1 examples that are listed at the end of paragraph 53.
2 Correct? You recall when he was questioning you
3 about those examples?
4   **A.**   Yes.
5   **Q.**   Okay. In your experience, are they the
6 only examples of how a settlement arrangement could
7 be made using the blockchain?
8   **A.**   No, they are very, very much based on the
9 context and based on the application and based on the
10 customer and based on the kind of systems involved.
11   These are just examples and possibilities
12 of how they could be as defined in the -- in the --
13 the framework that the BIS paper points to.
14   **Q.**   Mr. Carney also asked you questions about
15 the BIS paper that you cited in your report. Do you
16 remember those questions?
17   **A.**   Yes.
18   **Q.**   All right. I'd like you to take a look
19 at -- I think we'll make this TFL Exhibit 1.
20   MR. CARNEY: I think it's easier to just
21 continue with Unny, Unny Exhibit --
22   MR. CALIFANO: Whatever -- whatever you've
23 done in the past. What has the court reporter done
24 in the past with numbering exhibits?
25   THE COURT REPORTER: I don't think I -- I

224

Page 229

1 BIS website that identifies the owners of BIS.
2   MR. CARNEY: Is there a URL for this
3 printout?
4   MR. CALIFANO: I think we can provide the
5 URL. You might want to --
6   MR. WOOD: Do you want me to read it into
7 the record?
8   MR. CALIFANO: I think that's a good idea.
9   MR. WOOD: URL is
10 WWW.BIS.org/about/member_CB.HTM.
11   Q. Now, according to this web page, Mr. Unny,
12 the capital of the Bank of International Settlements
13 is held by Central Banks only, and 63 Central Banks
14 and monetary authorities are currently members of
15 BS-- IS and have rights of voting and representation
16 at general meetings.
17   Does that list include the Federal Reserve?
18   A. Yes, in the very last page it lists that --
19 the Board of Governors of the Federal Reserve System
20 of the United States.
21   Q. Mr. Unny, please put that aside.
22   You rever -- you reviewed the LP server
23 code; is that correct?
24   A. That's correct.
25   Q. And based on your review of that code, and

Page 230

1 your experience, you described it as having a
2 [REDACTED]
3   A. Uh-huh. I did.
4 [REDACTED]

Page 231

[REDACTED]
20   Q. If an expert is looking at the LP server
21 code --
22   A. Okay.
23   Q. -- what could they say about the place the
24 LP server code fills or performs in the larger CHAI
25 payment system if they don't have the ability to

Page 232

1 review the larger CHAI payment system code and data
2 and logs?
3   A. So based on my experience, they would be
4 looking at the very end of the chain of transactions,
[REDACTED]
19   Q. I want you to turn to page 59 of your
20 report.
21   In that --
22   A. Page 59 or paragraph?
23   Q. Paragraph. Apologies.
24   Paragraph 59 of the report, you discuss
25 five specific transfers that send KRT to LP --